

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, February 28, 2007

AMENDMENT TO THE PHASE-OUT PLAN FOR THE STATE RELOCATABLE CLASSROOM PROGRAM

PURPOSE OF REPORT

To present a request to incorporate relocatable facilities from the Childcare, Preschool, and Latchkey Programs into the Phase-Out Plan for the State Relocatable Classroom Program (SRCP).

BACKGROUND

The Childcare, Preschool, and Latchkey Programs were created under Education Code Section 8477 et. al. which requires the California Department of Education (CDE) to fund the programs and requires the Office of Public School Construction (OPSC) to procure and administer the leases for the relocatable facilities. Currently, there are 578 relocatable facilities in the three programs, ranging in age from ten to twenty-two years of age. The majority of the relocatable facilities are nearing the end of their useful life and will require repair or disposal due to their age and/or condition. In addition, the available program funding for moving and reimbursement for these relocatable facilities has been depleted and what remains is insufficient to continue to operate the facility portion of the program.

In October 2005, the State Allocation Board (Board) approved the Phase-Out Plan for the SRCP which allows for the sale of State Relocatable Classrooms (SRC). The Plan provides a priority process for the sale of the SRC's to districts currently leasing the classrooms, then other school districts, charter schools, public and private entities.

AUTHORITY

Education Code (EC) Section 8277.7(c) provides for the Board to lease relocatable facilities to qualifying child care and development contracting agencies and shall charge rent of \$1.00 per year.

EC Section 8277.7(h) reads in part "...the board may take possession of the relocatable facilities and may lease them to other eligible contracting agencies, or, if there is no longer a need for the relocatable facilities, the board may dispose of them to public or private parties in the manner it deems to be in the best interests of the state."

EC Section 17002(d) defines "good repair" as the facility being maintained in a manner that assures that it is clean, safe, and functional.

DISCUSSION

The Childcare, Preschool, and Latchkey Programs provide school districts and contract agencies with relocatable facilities at a cost of \$1.00 per year. The revenue from these relocatable facilities is not sufficient to replenish program funding and the remaining funds have been depleted to the point that the programs are unable to provide moving services or reimbursement costs to the school districts/agencies for site work involved in moving the relocatable facilities. Additionally, the majority of the relocatable facilities were built in the late 1980's and early 1990's. Many of the facilities are in need of repair or replacement and there are no resources to refurbish these relocatable facilities. EC Section 8277.7(h) provides for the Board to take possession of the relocatable facilities and dispose of them to public or private parties in the manner it deems to be in the best interest of the State if there is no longer a need for the facilities.

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DISCUSSION (cont.)

Because of the small number of relocatable facilities, the OPSC would be able to offer all of these buildings at once to the districts/agencies that are currently leasing them. Prior to the sale of any relocatable facility, school districts/agencies will be required to certify to the condition of the relocatable facility. If the relocatable facility is certified to be in good repair, as defined by the lease agreement, which reads in part "the relocatable shall be in well-maintained or renewed condition, including repair, renewal, replacement, and repainting of the building and its components...", then the school district/agency may purchase the relocatable facility for childcare/latchkey purposes. However, if the relocatable facility is determined not to be in good repair, then one of two things will occur: the relocatable facility will need to be brought into good repair prior to the sale to the school district or agency if the intent is to house pupils for childcare/latchkey purposes; or the relocatable facility may be purchased as is as long as it is not to be used to house children. The OPSC may conduct random inspections of facilities certified to be in good repair. If the school district/agency certifies the relocatable facility to be in bad repair, an inspection will be conducted by the OPSC.

STAFF COMMENTS

Staff believes that incorporating the Childcare, Preschool, and Latchkey relocatable facilities into the Phase-Out Plan will relieve the State of the responsibility of moving, maintaining and monitoring the relocatable facilities, while maintaining the services provided to the children in these facilities.

Since the inception of the programs, districts and agencies have only been charged \$1.00 to lease the relocatable facilities and the costs to administer the programs have been subsidized by the State. Many of the children attending the programs are low income and the school districts/agencies receive funds from the CDE to subsidize their care. Since the school districts and agencies have only been charged \$1.00 to lease the relocatable facilities, they do not budget for anything over that and would typically not have the funding to purchase a more costly facility. Staff believes the school districts and agencies should be charged \$1.00 per relocatable facility to ease the financial burden and would allow the programs to continue. Also, there should be no pupil grants charged to school districts as these relocatable facilities are not being used for classroom purposes.

Staff has met with representatives of the CDE to discuss issues involving the impact this action would have on these programs. The CDE supports the incorporation of the Childcare, Preschool, and Latchkey relocatable facilities into the Phase-Out Plan for the SRCP.

RECOMMENDATIONS

1. Approve the sale of the Childcare, Preschool, and Latchkey program relocatable facilities for \$1.00 for each relocatable facility.
2. Grant the Executive Officer and the Deputy Executive Officer the administrative authority to approve the disposal of relocatable facilities that are deemed to not be in good repair and that are not able to be repaired in a cost effective manner, with a subsequent Board item to authorize the actual funding.

This Item was approved by the State Allocation Board on February 28, 2007.